

INTERNATIONAL BUSINESS NEWS – OCTOBER 2005

U.S. Department of Commerce

International Trade Administration – U.S. Export Assistance Center

425 West Capitol Avenue, Suite 700, Little Rock AR. 72201

Phone: 501-324-5794 Fax: 501-324-7380

little.rock.office.box@mail.doc.gov<http://www.buyusa.gov/arkansas>

Lon Hardin, Director; Dennis Millard, International Trade Specialist

Ray Riggs, International Trade Specialist; Mary Hayward, Export Assistance Specialist



JAPAN: U.S. DEPARTMENT OF COMMERCE'S MARKET OF THE MONTH

Japan boasts the largest and most diverse economy in Asia, and is second only to the U.S. on the world's economic stage. The U.S. sends more exports to Japan than it does to any other overseas destination. Thousands of U.S. companies have established successful operations in Japan and even more export to Japan on a regular basis. The Japanese economy has pulled out of its economic slump of the last decade and is showing clear signs of an emerging recovery. U.S. exports to Japan have risen steadily over the last several years, and exchange rates continue to favor U.S. exporters.

Market Entry Strategy

Many U.S. companies that are serious about entering the Japanese market can benefit by finding a reputable, well-connected agent or distributor to represent them in the market. In addition, it is extremely important to cultivate business contacts through frequent personal visits. Commercial Service Japan can help you find these types of agents, as well as direct buyers, through our Gold Key and International Partner Search programs.

Japanese attach a high degree of importance to personal relationships, and these take time to establish and nurture. Patience and repeated follow-up are required to clinch a deal. Unless you possess excellent Japanese language skills, as many Japanese executives and decision makers do not speak English, foreign business executives should be accompanied by a professional interpreter. For more information on doing business in Japan, consult our Commercial Service office in Little Rock (501-324-5794, Fax 7380, little.rock.office.box@mail.doc.gov) or contact one of the Commercial Service offices in Japan at (http://www.buyusa.gov/japan/en/offices_japan.html).

Best U.S. Export Prospects for Exports to Japan

- Biotechnology
- Computers/Software
- Education
- Healthcare/Medical Products
- Lifestyle Market
- Major Projects
- Nutritional Supplements
- Power Generation
- Telecommunications
- Travel and Tourism

IOMA'S ASK THE EXPERTS

Reprinted with permission From Sep. 2005 Edition of
"Managing Exports and Imports"®

MEI's 'Ask the Experts' team—Alan Gaudio, Robert Imbriani, and Joseph Zodi—answer readers' export- or import-related questions. This issue's column is by Joe Zodi, consultant for Unz & Co.

Question: Under the Free Trade Agreements (FTAs) in effect, and the ones in the works, how does the importer prove the product qualifies for special treatment?

Answer from Joseph Zodi: Under NAFTA (1994) and the U.S.-Israel FTA (1985), the importer's proof that a product qualifies for duty-free or reduced duty treatment is a certificate of origin (CO) specific to each FTA, issued by the exporter. However, specific COs haven't been provided for in some more recent FTAs. In all cases, "verbal shouldn't go" because this is hard to prove. Written statements such as "these goods were made in Chile" aren't sufficient because they don't prove that the goods meet the FTA criteria.

The U.S.-Chile FTA (2004) does not require a specific CO but a statement on a letterhead or invoice, or a generic CO, can be used.

The U.S.-Jordan FTA (2001) requires no specific CO or certification. It is the importer's (American or Jordanian) responsibility to state to the respective customs service on entry that the goods qualify. But my recommendation is that if goods will qualify for special treatment, you should provide (as an exporter) or require (as an importer) appropriate written evidence. (Jordan often requires a CO, notarized and approved by a chamber of commerce, on its imports, and so the statements can be made on this form by an American exporter.)

The U.S.-Singapore FTA (2004) requires no specific CO, but the importer must supply the facts to customs, so written evidence from the importer should be part of the paperwork.

The U.S.-Australia FTA (2005) requires no specific CO, but a generic one should be issued by the exporter to the importer as good business practice. Note that even when a specific CO isn't mandated, there are requirements for documentation in the importing country, for example, invoice and packing list. Jordan, as an example, generally requires that the weight of the shipment and freight charges appear on the invoice. Always check with your customs broker or freight forwarder for details.

TWO MAJOR EXPORT COMPLIANCE CHANGES COMING IN EARLY 2006

Two significant new export compliance challenges are scheduled soon. The first change is a fundamental revision of the "knowledge" standard and expansion of "red flags," and the second is mandatory Automated System (AES) reporting. Contact us at <mailto:little.rock.office.box@mail.doc.gov>, or 501-324-5794, fax 7380 for the complete article "Two Major Export Changes Coming in 2006."

WOOD PACKAGING MATERIALS FAQs

On September 16, 2005, the United States, in cooperation with Mexico and Canada, began enforcement of the international phytosanitary standard (ISPM 15) for regulated wood packaging material (WPM) entering North America.

For more information contact us at <mailto:little.rock.office.box@mail.doc.gov>, or 501-324-5794, fax 7380 for the U.S. Customs and Border Protection's article "Wood Packaging Materials FAQ."

STATE DEPARTMENT FACT SHEET PROFILES EUROPEAN UNION

On October 4 the U.S. State Department issued a fact sheet profiling the European Union.

The sections detailing the geography, people, government and history of the EU may be of more interest to an American than a European audience, while sections on U.S.-EU relations, trade and foreign direct investment may be of interest to both. For a copy of the fact sheet, go to <http://usinfo.state.gov/eur/Archive/2005/Oct/04-180140.html>

WORLD BANK OFFERS POSITIVE OUTLOOK FOR COLOMBIA

**By Eric Green
Washington File Staff Writer**

A new report from the World Bank has given a positive outlook for Colombia, saying the country's economy has been growing strongly since 2002, with private investment rebounding, unemployment falling, and security conditions improving.

In its Progress Report on the Country Assistance Strategy for Colombia, the World Bank said that while peace is still not certain in Colombia, "security conditions have improved significantly, generating greater public confidence, enhanced investor activity, and higher economic growth." The 51-page report, released September 30, outlines the World Bank's support for peace and development in Colombia. To read or download the report go to http://siteresources.worldbank.org/INTCOLUMBIAINSP/ANISH/Resources/CAS_PR_colombia_full.pdf

THE NEW ADVOCACY QUESTIONNAIRE

The Office of Management and Budget (OMB) has approved the NEW advocacy Questionnaire (AQ) that is now available to all U.S. Private sector commercial interests via the advocacy Center's Website. Please discard any older questionnaires you had previously downloaded and start using the new questionnaire immediately available at <http://www.export.gov/advocacy/>

AMERICAN TRADING CENTERS (ATC)- CHINA

The Commercial Services' American Trading Centers (ATC) initiative is now up and running. This initiative strengthens our ability to offer American companies greater access to and support in China markets. For more information, contact our office at little.rock.office.box@mail.doc.gov, Phone 501-324-5794, Fax 7380 for a copy of "American Trade Centers FAQs."

NEW U.S. COMMERCIAL SERVICE OFFICE OPENS IN DAKAR

A new U.S. Commercial Service Office opened recently in Dakar, Senegal, which completes a network across Western Africa that will help U.S. companies get a foothold in 18 emerging markets. The new office includes a Senior Commercial Officer and two Commercial Service Specialists. Located in central Dakar, the office will serve as a regional hub for Cote D'Ivoire, Chad, The Gambia, Mauritania, Benin, Gabon, Mali, Niger, Burkina Faso, Guinea Conakry, Togo, Cameroon, Cape Verde, Sierra Leone, Liberia, Guinea Bissau, and Equatorial Guinea. The office will help U.S. and West African businesses forge new partnerships through business counsel, market research, help in identifying qualified suppliers and assistance in promoting U.S. products and services in West Africa. Go to <http://www.buyusa.gov/westafrica> for more information on doing business in West Africa.

WORLDWIDE BUSINESS VISA CENTER NOW ONLINE

The Department of State announces the latest step in our continuing effort to facilitate the issuance of visas for legitimate business travelers worldwide. The Business Visa Center, launched in July 2005 to assist businesses in the United States and their partners, customers, and colleagues around the world, is now accessible on the Internet at http://travel.state.gov/visa/temp/types/types_2664.html

We hope you've enjoyed this edition of our newsletter. Any mention of non-government sources does not constitute endorsement. For comments or questions contact us at little.rock.office.box@mail.doc.gov
<http://www.buyusa.gov/arkansas> Phone: 501-324-5794, Fax: 501-324-7380